

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Audit Committee
2.	Date:	17th September 2014
3.	Title:	Banking Services
4.	Directorate:	Resources

5. Summary

The report outlines the outcome of the tender evaluation for the supply of Banking Services and Cabinet Member for Finance's decision to approve under delegated powers the acceptance of the tender from National Westminster Bank plc.

6. Recommendation

- a) That Audit Committee notes the decision of the Cabinet Member for Finance to accept the tender submitted by National Westminster Bank plc for the supply of Banking Services, in accordance with delegated powers.

7. Proposals and Details

The Procurement of the Banking Services contract was carried out by RMBC finance officers, a Banking Consultant (Focus on Banking) and facilitated by the Procurement Category Manager. The tender was advertised in the official journal of the European Union (OJEU) through the open procedure via the YORtender e-procurement system.

Four tender submissions were returned by the deadline date of the 25th June 2014, Tenders were received from Barclays Bank plc, HSBC Bank plc, Lloyds Bank plc and National Westminster Bank plc.

Tenders were evaluated out of 100 points, 55 points were allocated to quality and 45 to price, in line with the criteria set out in the Invitation to tender (ITT) against the price for the service and the following quality considerations:

- Resolving transaction queries
- Calculation methods for interest on accounts
- Cheque verification
- Operation of accounts
- Relationship management and service levels
- Innovation
- Training
- Operation of Internet Banking
- Implementation
- Social Value (See appendix A)

Pricing was scored based on the total estimated cost of providing Banking Services to Rotherham MBC over the initial period of five years.

The positions following the evaluation and scoring was as follows:

Tenderer	Position
National Westminster Bank plc	1
Lloyds Bank plc	2
Barclays Bank plc	3
HSBC Bank plc	4

Approval has been given under delegated powers by the Cabinet Member for Finance to appoint National Westminster Bank plc for this agreement for a period of 5 years, with the option to extend for a further 3 years. Implementation will commence during September to ensure the Council can meet the Co-operative Bank's desired outcome of an early exit from the current contract by the end of December 2014.

8. Finance

The cost of procuring Banking Services over the initial five years of the agreement is estimated at £179,000. As a comparison the existing contract with the Co-operative Bank plc has cost £300,000 over 5 years. The profile of savings has been included within the Council's Medium Term Financial Strategy.

9. Risks and Uncertainties

The contract is purely for the provision of banking services fulfilling the Council's day to day operational financial requirements and does not include any investment activity so the risk is therefore considered to be low.

The contract with the Council's existing bank, the Co-operative Bank plc, expires on the 31st March 2015 but the Bank has requested for an early exit by the end of December 2014 if possible. It is expected that it will take approximately 12 weeks to fully transfer business over to the new bank so the project will start at the earliest opportunity. This will be managed by a resource allocated by the Director of Financial Services and is therefore expected to be achieved on time with little or no impact on service. The risk is therefore considered to be low.

10. Background Papers and Consultation

Cabinet Member for Finance Meeting held on 29th August 2014

Tender submissions and evaluation documents are all stored on the YORtender e-procurement system.

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Appendix A – Social Value

10% of the quality score was allocated to social value questions. The questions asked within the ITT on social value and the response received from the preferred bidder is detailed below.

Question 1 - Financial Inclusion

Please outline proposals for promoting financial inclusion within the Rotherham area. This should include relevant details of any education programmes that can be offered in respect of banking and other financial services

Nat West PLC Response:

We are keen to support financial inclusion working with various organisations to support communities where disadvantage is looking to be addressed and individuals and businesses supported. We detail below some programmes/facilities which we currently have in place to support this agenda and would be more than happy to work with RMBC on a local basis to tailor support that would work best for its community.

The RBS Group offers a range of accounts to meet most customer's needs, we detail below a number which may assist in meeting your tenants requirements which we are happy to work with you on.

Basic Bank Account

The Basic Account is intended for customers who require a basic account for day-to-day banking whilst offering the ability to carry out Direct Debit and Standing Order facilities. It is available to private individuals aged 18 years or over and creditworthy customers who are looking for a credit only account. This account can also be used for foreign students.

Although there is no credit scoring criteria on this account, a Credit Reference Search will still be carried out as per all other accounts as this will check for Bankruptcy and potential Fraud concerns. An account cannot be opened where the customer is an Undischarged Bankrupt or where there is history or any risk of fraud.

Features and benefits of this account include:

- Cash withdrawals - available from NatWest, RBS or Ulster Bank cash machines within the UK and Gibraltar. Customers can also withdraw cash over the counter in our branches and at the Post Office counter or via retailers through the cash back service.
- Bill payment facilities – set up Direct Debit and standing order payments.
- Manage money – online, on the phone or at one of our branches.
- Visa Debit card – make payments worldwide with added online security protection.
- Withdraw money overseas – with a Visa Debit card at any overseas cash machine that shows the Visa logo (subject to fees and charges).
- No overdraft or cheque book available.

Financial Education

We would be delighted to work with RMBC to look at how we could best support their local requirements through our Moneysense programme.

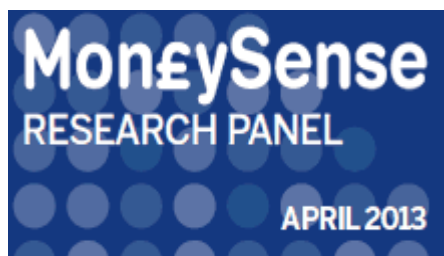
MoneySense

The RBS Group is committed to supporting young people to become financially capable for life through our award winning financial education programme, MoneySense. It is an online, interactive programme aimed at secondary schools to help equip 11-18 year olds to manage their money both now and in the future. Our resources can be used by teachers directly, or in conjunction with NatWest and RBS staff volunteers from across the Group.

Financial Education has been delivered by the RBS Group for almost 20 years, and our commitment to our programme is clear:

- Since 2011, 46% of secondary schools across the UK have used MoneySense resources.
- Since 2011, 8,500 secondary teachers and 34,500 students have signed up to use our free resources.
- In 2012, 40,000 MoneySense lessons were delivered to over 340,000 students in 1,250 schools.
- Over the last 3 years we have delivered lessons to over 1 million school pupils.

The MoneySense Research Report



Our ongoing commitment to financial education can be further evidenced in the MoneySense Research Report which was published in April 2013. The RBS Group commissioned five years of independent research with over 50,000 12 to 19-year-olds across the UK, to find out how they felt about money and how much they know about managing it.

In 2012 we gathered together these findings and asked a range of people; parents, teachers, young people and expert stakeholders to help generate recommendations to improve the financial capability of young people in the UK.

We have created five recommendations based on what we have heard and believe that by working on all of these recommendations we will be able to improve the financial capability of young people in the UK, in school, at home and in the workplace. The recommendations along with details of what the RBS Group is doing to help achieve these are:

1. Financial education should begin when children are young.

The Group has extended our financial education resources to primary schools. Pocket Money already helps parents of young children approach financial matters in a fun way. It is now available online as a primary school resource to teachers.

2. During teen years young people should be improving their financial capability and becoming equipped to make informed financial decisions

The Group continues to provide MoneySense, our free and impartial programme, to secondary schools across the UK. MoneySense gives every young person in school an opportunity to learn the basics of finance, as well as helping them to make the financial decisions in the world of work and beyond.

3. Teachers should be given training and support to deliver financial education

We are supporting teachers by providing information and guidance to help embed MoneySense in their school. We are also supporting the Personal Finance Education Group (pfeg) whilst they develop a maths resource for the new National Curriculum in England.

4. Employers should play an active role in recruiting young people and supporting the financial decisions they will face in their career

Our staff are volunteering in schools, to raise aspirations of working in financial services. Our Early Careers team will provide around 100 apprenticeships in 2013 and have created Career Kickstart, a mobile app which gives advice on employability skills.

5. Parents, teachers, employers, financial institutions and the Government all need to work together to play their part.

A copy of the full report can be downloaded at:

www.rbs.com/sustainability/community-programmes/moneysense.html

MoneySense for Adults offers impartial guidance on money management which is delivered through our MoneySense website -rbs.co.uk/moneysense and in-branch booklets.

The RBS Group also works with Third Sector partners to provide support for vulnerable groups with unique financial challenges, such as our 'MoneySense for single parents' booklet which was produced in partnership with the charity Gingerbread. Annually, over 700 employees deliver over 28,000 lessons to over 335,000 pupils.

The RBS Group hopes to grow the programme significantly through an extensive redevelopment of online resources and by a further 300 volunteers signing up to deliver lessons. The RBS Group targets support to vulnerable groups with unique financial challenges, by working with a range of third sector partners, for example, delivering tailored support for single parent families through Gingerbread.

Question 2 - Social, Economic Benefits

Please provide your proposed approach to the delivery of the Social, Economic benefits.

The response could include the following:

- a) The arrangements you will make to recruit local apprentices, reach long term local unemployed and trainees, creating part-time and flexible opportunities to increase for single parents seeking employment and people with disabilities.

- b) The sources you will use to recruit local residents and to engage local businesses in sub-contracting opportunities
- c) The steps you will take to ensure that your sub-contractors support these requirements

Nat West PLC Response:

On a national basis, we operate the following initiatives that are aimed at promoting social and economic activity.

The RBS Group Community Grants

Anyone at the RBS Group can nominate a charity or community group to get funding up to £10,000, as well as volunteer support. We are keen to support community projects, charities, education and enterprise in the places where we live and work, all across the UK.

We will consider requests to support registered charities and established not-for-profit community organisations whose programmes and services align with our aims and mirror the interests of staff and the communities in which we operate. We want to be a responsible business in the way we engage with our local communities, making a measurable difference through our skills and resources.

Community Investment - National

The RBS Group leads strategic programmes that deliver real and sustainable benefit for our communities, focusing on key issues relevant to our business to help enhance our contribution to society.

To ensure that community investment is as effective as possible, the RBS Group focuses on a small number of programmes that enable us to go further on the key issues that are critical to the business – where we have a role and a responsibility to do so. The programmes are broadly focused around Charitable Programmes, MoneySense and Supporting Enterprise.

Charitable Programmes

The RBS Group is committed to supporting the charitable endeavours of our employees including financial, time and in kind contributions. Group Sustainability lead strategic programmes that deliver real and sustainable benefit for our communities, focusing on key issues relevant to our business to help enhance our contribution to society.

Employee Volunteering

The employee volunteering programme was launched in 2010. This programme gives our people paid time off to volunteer at an organisation of their choice, enabling them to become involved with their communities and make a real difference. More than 41,000 employees volunteered more than 184,000 hours of work time in 2012.

Community Cashback

Community Cashback gives further support to employees who fundraise and volunteer in their own time. Worldwide during 2012 more than 2,700 charities received £3.5m of funding.

Payroll Giving

Payroll Giving allows employees in the UK, Ireland, India and US to donate to the charity of their choice via their salary. We then build on their generosity by matching this donation. In 2012, £7.6m was donated to more than 4,000 charities across the globe.

Community Stars

Community Stars is an employee recognition programme for those who achieved fantastic results for good causes that matter most to them. Employees can win a financial award for the charity they supported. Winners can receive between £250 and £3,750 for their chosen charity or local community group. In 2012 there were over 150 awards totalling £63,000.

Business in the Community

The RBS Group have been actively involved in Mock Interview programmes through Business in the Community – Our Managers have attended sessions at various schools undertaking mock interviews with year 10 and 11 pupils in readiness for their work programmes.

Supporting Enterprise

The RBS Group's Supporting Enterprise programme enhances and broadens the support for enterprise in the core markets, with a particular focus on harder-to-reach groups.

The Supporting Enterprise Community Investment programme is focused on two streams of activity. We work with partners to support potential entrepreneurs directly, through training and mentoring, to help them overcome their particular barriers to entry, and helps build the capability of alternative means of finance and support for would-be entrepreneurs who would not normally qualify for direct support from banks.

RBS Micro Finance Fund

The RBS Group Micro Finance Funds (MFF) is an independent charity supported by the RBS Group. Originally launched in 1999 as a group of 10 registered charities, the charities were consolidated into one fund operating UK-wide in 2008.

MFF exists primarily to support charitable organisations (including, but not restricted to, charities, social enterprises and other organisations run for social impact) by providing finance where they are unable to access sufficient mainstream finance. From launch to end February 2014, the MFF had received over 524 expressions of interest with loans in excess of £6m approved ranging from £30k to £1m.

There is a full time Loans Officer and part time Operations Director seconded from the RBS Group. Volunteers from the RBS Group (using their 5 day community engagement) support the MFF in a variety of roles from being a local liaison point for MFF clients, considering loan applications on the MFF Credit Panel through to other key roles including providing assistance as company secretary to providing advice on strategy and financial modelling.

The Princes Trust

In the UK, we are the largest corporate supporter of The Prince's Trust Enterprise Programme, which helped over 70,000 young people since its inception. This programme offers young entrepreneurs from disadvantaged backgrounds, loan funding, advice and the support of a business mentor (including our own employees) when starting up in business.

In addition, we would also look to continue to support Social and Economic benefits specifically in the Rotherham area - some examples of where we believe this has been demonstrated are as follows:

- **Local charity** - Bank staff have been involved in raising money for local charity which has been matched/supplemented by the bank's Community Cashback Scheme (see above) - local examples are Rotherham Hospice (£1,000), Rotherham Food bank (£6000) and local Macmillan Cancer Support (£5000).
- **Local volunteering** - our staff are provided with five days per annum which can be used for volunteering. As part of this scheme in the Rotherham area, we have staff who act use this time as Governors at a number of local schools including Brinsworth Manor Junior and St Bedes.
- **SME Business Surgeries** - we have run a number of these in the local area where both start up and existing SME clients have been supported by our staff in the Rotherham Business Banking team.

Other activity - in addition to the recent activity above, we have also provided other Local Authorities with the following - support with Credit Unions, Citizens Advice Bureaus and Local Loan funds in terms of establishing, operating and administering plus support to student programs in terms of attending/participating at careers fair's + mentoring and with Finance education via seminars that we have run and our MoneySense program